

EXHIBIT 5

(additions are underlined; deletions are [bracketed])

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Chicago Board Options Exchange, Incorporated Rules

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Rule 1.1. Definitions

When used in these Rules, unless the context otherwise requires:

(a) – (eee) No change.

Voluntary Professional

(fff) The term “Voluntary Professional” means any person or entity that is not a broker or dealer in securities that elects, in writing, to be treated in the same manner as a broker or dealer in securities for purposes of Rules 6.2A, 6.2B, 6.8C, 6.9, 6.13A, 6.13B, 6.25, 6.45, 6.45A (except for Interpretation and Policy .02), 6.45B (except for Interpretation and Policy .02), 6.53C(c)(ii), 6.53C(d)(v), subparagraphs (b) and (c) under Interpretation and Policy .06 to Rule 6.53C, 6.74 (except Voluntary Professional orders may be considered public customer orders subject to facilitation under paragraphs (b) and (d)), 6.74A, 6.74B, 8.13, 8.15(d)[B], 8.87, 24.19, 43.1, 44.4, 44.14, and for cancellation fee treatment. The Voluntary Professional designation is not available in Hybrid 3.0 classes.

Professional

(ggg) The term “Professional” means any person or entity that (i) is not a broker or dealer in securities, and (ii) places more than 390 orders in listed options per day on average during a calendar month for its own beneficial account(s). A Professional will be treated in the same manner as a broker or dealer in securities for purposes of Rules 6.2A, 6.2B, 6.8C, 6.9, 6.13A, 6.13B, 6.25, 6.45, 6.45A (except for Interpretation and Policy .02), 6.45B (except for Interpretation and Policy .02), 6.53C(c)(ii), 6.53C(d)(v), subparagraphs (b) and (c) under Interpretation and Policy .06 to Rule 6.53C, 6.74 (except Professional orders may be considered public customer orders subject to facilitation under paragraphs (b) and (d)), 6.74A, 6.74B, 8.13, 8.15(d)[B], 8.87, 24.19, 43.1, 44.4, 44.14. The Professional designation is not available in Hybrid 3.0 classes. All Professional orders shall be marked with the appropriate origin code as determined by the Exchange.

... Interpretations and Policies:

.01 No change.

(hhh) – (sss) No change.

... Interpretations and Policies:

.01 – .05 No change.

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Rule 3.2. Qualifications of Individual Trading Permit Holders

(a) No change.

(b) The individual must be approved to engage in one or more of the following trading functions authorized for individual Trading Permit Holders under the Rules: (i) Market-Maker (Rule 8.2); (ii) Floor Broker (Rule 6.71); (iii) Proprietary Trading Permit Holder (Rule 1.1(kkk)); (iv) Trading Permit Holder eligible to trade securities traded pursuant to Chapter L (Rule 50.4); (v) DPM Designee (Rule 8.81); (vi) FLEX Appointed Market-Maker (Rules 24A.9 and [Rule]24B.9); (vii) FLEX Qualified Market-Maker (Rules 24A.9 and 24B.9); and (viii) [Lead Market-Maker (Rules 8.15 and Rule 8.15A); (ix) Supplemental Market-Maker (Rule 8.15); and (x)]all categories of SBT Traders including SBT Market-Makers, SBT Brokers, and SBT Proprietary Traders (Rule 41.2).

Rule 3.3. Qualifications of TPH Organizations

(a) No change.

(b) An organization also must be approved to engage in one or more of the following trading functions authorized for TPH organizations under the Rules: (i) TPH organization approved to transact business with the public (Rule 9.1); (ii) Clearing Trading Permit Holder; (iii) order service firm (Rule 6.77); (iv) Market-Maker (Rule 8.1); (v) Lead Market-Maker (Rule[s] 8.15[and Rule 8.15A]); (vi) Designated Primary Market-Maker (Rule 8.83); [(vi) Reserved.](vii) Proprietary Trading Permit Holder (Rule 1.1(kkk)); (viii) SBT Designated Primary Market-Maker and SBT Lead Market-Maker (Rule 41.2); and (ix) Trading Permit Holder eligible to trade securities traded pursuant to Chapter L (Rule 50.4).

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Rule 5.8. Long-Term Equity Option Series (LEAPS)

(a) Notwithstanding conflicting language in Exchange Rule 5.[6]5, the Exchange may list long-term equity option series (LEAPS) that expire from 12 to 180 months from the time they are listed. There may be up to six additional expiration months. [Strike price interval, bid/ask differential and continuity rules shall not apply to such option series until the time to expiration is less than nine months.]

(b) – (d) No change.

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Rule 6.1A. Extended Trading Hours

(a) – (d) No change.

(e) *Market-Makers.*

(i) – (ii) No change.

(iii) *Lead Market-Makers.*

(A) The Exchange may approve one or more Market-Makers to act as LMMs in each class during Extended Trading Hours in accordance with Rule 8.15[A] for terms of at least one month.

(B) During Extended Trading Hours, LMMs must comply with the continuous quoting obligation and other obligations of Market-Makers set forth in subparagraph (ii) above but not with the obligations in Rule 8.15[A]. LMMs do not receive a participation entitlement as set forth in Rules 6.45B and 8.15[B] during Extended Trading Hours.

(C) If an LMM (1) provides continuous electronic quotes in at least the lesser of 99% of the non-adjusted series or 100% of the non-adjusted series minus one call-put pair in an Extended Trading Hours allocated class (excluding intra-day add-on series on the day during which such series are added for trading) and (2) enters opening quotes within five minutes of the initiation of an opening rotation in any series that is not open due to the lack of a quote (see Rule 6.2B(e)(i) or Interpretation and Policy .03(a)(i)), provided that the LMM will not be required to enter opening quotes in more than [ensures an opening of]the same percentage of series set forth in clause (1) [by 2:05 a.m.] for at least 90% of the trading days during Extended Trading Hours in a month, then the LMM receives a rebate for that month in an amount set forth in the Fees Schedule. Notwithstanding Rule 1.1(ccc), for purposes of this subparagraph(C), an LMM is deemed to have provided “continuous electronic quotes” if the LMM provides electronic two-sided quotes for 90% of the time during Extended Trading Hours in a given month. If a technical failure or limitation of a system of the Exchange prevents the LMM from maintaining, or prevents the LMM from communicating to the Exchange, timely and accurate electronic quotes in a class, the duration of such failure shall not be considered in determining whether the LMM has satisfied the 90% quoting standard with respect to that option class. The Exchange may consider other exceptions to this quoting standard based on demonstrated legal or regulatory requirements or other mitigating circumstances.

(iv) No change.

(f) – (k) No change.

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Rule 6.2A. Rapid Opening System

This rule applies only to Regular Trading Hours. This rule has no applicability to series trading on the CBOE Hybrid Opening System. Such series will be governed by Rule 6.2B.

(a) – (c) No change.

... Interpretations and Policies:

.01 ROS may be used by LMMs[and SMMs], appointed pursuant to Rule 8.15, to conduct rotations in options classes. Notwithstanding paragraph (b) of this Rule, ROS contracts to trade will be assigned to the LMMs [and SMMs]logged onto the ROS system. In addition, subject to the review of the Board of Directors, the Exchange may establish from time to time a participation entitlement formula that is applicable to the LMM who determines the formula for generating automatically updated market quotations during the trading day and provides the primary quote feed for an option class during an expiration cycle. The participation entitlement formula only applies to ROS contracts to trade and is subject to the following conditions: (i) the LMM will receive this participation right only during expiration cycles ([]and only with respect to time periods during those expiration cycles) when the LMM is providing the primary quote feed, and (ii) the LMM logs onto ROS the designated number of times as established by the Exchange.

.02 No change.

.03 Modified ROS Opening Procedure For Calculation of Settlement Prices of Volatility Indexes.

All provisions set forth in Rule 6.2A and the accompanying interpretations and policies shall remain in effect unless superseded or modified by this Rule 6.2A.03. To facilitate the calculation of a settlement price for futures and options contracts on volatility indexes, the Exchange shall utilize a modified ROS opening procedure for any index option series with respect to which a volatility index is calculated (including any index option series opened under Rule 6.2A.01). This modified ROS opening procedure will be utilized only on the final settlement date of the options and futures contracts on the applicable volatility index in each expiration month.

The following provisions shall be applicable when the modified ROS opening procedure set forth in this Rule 6.2A.03 is in effect for an index option with respect to which a volatility index is calculated:

(i) No change.

(ii) All Market-Makers, including any LMMs[and SMMs], if applicable, who are required to log on to ROS or RAES for the current expiration cycle shall be required to log on to ROS during the modified ROS opening procedure if the Market-Maker is physically present in the trading crowd for that index option class.

(iii) No change.

(iv) ROS contracts to trade for that index option series will be assigned equally, to the greatest extent possible, to all logged-on Market-Makers, including any LMMs[and SMMs], if applicable.

(v) – (ix) No change.

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Rule 6.8. RAES Operations

This rule has no applicability to options classes traded on the CBOE Hybrid System.

This Rule governs RAES operations in all classes of options, except to the extent otherwise expressly provided in this or other Rules in respect of specified classes of options.

(a) – (g) No change.

... Interpretations and Policies:

.01 – .08 No change.

.09 (a) No change.

(b) If the Exchange disseminates options quotations with size in a particular class, the entity responsible for determining a formula for generating automatically updated market quotations for that class pursuant to Rule 8.7(b) and (c) shall also have responsibility for determining the size of the undecrementd disseminated quote for that same class. For those classes in which a DPM, LMM, [or SMM,]or Market-Maker in good standing has been appointed the responsibility to determine the size of the disseminated quote, the DPM, LMM, [SMM]or appointed Market-Maker may, but is not required to, consult with and/or agree with members of the trading crowd in determining the size of the disseminated quote. The members of the trading crowd are not required to provide input in these decisions, and in all instances, the DPM, LMM, [SMM,]or appointed Market-Maker has the responsibility to make the final determination as to the size of the undecrementd disseminated quote. For those classes in which a DPM, LMM, [SMM,]or appointed Market-Maker does not have the responsibility set forth in Rule 8.7(b), the trading crowd shall determine the size of the undecrementd disseminated quote.

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Rule 6.45A. - Priority and Allocation of Equity Option Trades on the CBOE Hybrid System

Generally: No change.

(a) Allocation of Incoming Electronic Orders: The Exchange will determine to apply, for each class of options, one of the following rules of trading priority described in paragraphs (i) or (ii). The Exchange will issue a Regulatory Circular periodically specifying which

priority rules will govern which classes of options any time the Exchange changes the priority.

(i) Ultimate Matching Algorithm (“UMA”): Under this method, a market participant who enters a quotation or order and whose quote or order is represented by the disseminated CBOE best bid or offer (“BBO”) shall be eligible to receive allocations of incoming electronic orders for up to the size of its quote or order, in accordance with the principles described below. As an initial matter, if the number of contracts represented in the disseminated quote is less than the number of contracts in an incoming electronic order(s), the incoming electronic order(s) shall only be entitled to receive a number of contracts up to the size of the disseminated quote, in accordance with Rule 6.45A(a)(i)(B). The balance of the electronic order will be eligible to be filled at the refreshed quote either electronically (in accordance with paragraph (a)(i)(B) below) or manually (in accordance with Rule 6.45A(b)) and, as such, may receive a split price execution.

(A) – (B) No change.

(C) Participation Entitlement: If a Market-Maker is eligible for an allocation pursuant to the operation of the Algorithm described in paragraph (a) of Rule 6.45A and is also eligible for an allocation pursuant to a participation entitlement under Rules 8.13, 8.15[B], or 8.87, the Market-Maker shall be entitled to receive an allocation (not to exceed the size of its quote) equal to either:

(1) – (2) No change.

The Exchange shall determine which of the preceding two entitlement formulas will be in effect on a class-by-class basis. All pronouncements regarding the entitlement formula shall be made via Regulatory Circular. The participation entitlement percentage is expressed as a percentage of the remaining quantity after all public customer orders in the electronic book have been executed.

(ii) Price-Time or Pro-Rata Priority

Price-Time Priority: No change.

Pro-Rata Priority: No change.

Additional Priority Overlays Applicable to Price-Time or Pro-Rata Priority Methods

In addition to the base allocation methodologies set forth above, the Exchange may determine to apply, on a class-by-class basis, one or more of the following designated market participant overlay priorities in a sequence determined by the Exchange. The Exchange will issue a Regulatory Circular periodically which will specify which classes of options are subject to these additional priorities as well as any time the Exchange changes these priorities.

(1) No change.

(2) Participation Entitlement: The Exchange may determine to grant Market-Makers participation entitlements pursuant to the provisions of Rules 8.87, 8.13, or 8.15[B]. More than one such participation entitlements may be activated for an option class (including at different priority sequences), however in no case may more than one participation entitlement be applied on the same trade. For example, the Preferred Market-Maker participation entitlement of Rule 8.13 and the DPM participation entitlement of Rule 8.87 may be in effect, along with other priorities that are allowed under this Rule, for an option class at different priority levels (*e.g.* public customer has first priority, Preferred entitlement is second priority, Market Turner is third priority, and DPM entitlement - if the Preferred entitlement was not applied on the trade - has fourth priority). In allocating the participation entitlement, all of the following shall apply:

(A) – (D) No change.

(3) No change.

(iii) Additional Priority Overlays Applicable to All Priority Methods

No change.

(b) – (e) No change.

... Interpretations and Policies:

.01 – .04 No change.

Rule 6.45B - Priority and Allocation of Trades in Index Options and Options on ETFs on the CBOE Hybrid System

Generally: No change.

(a) Allocation of Incoming Electronic Orders: The Exchange will determine to apply, for each class of options, one of the following rules of trading priority described in paragraphs (i) or (ii). The Exchange will issue a Regulatory Circular periodically specifying which priority rules will govern which classes of options any time the Exchange changes the priority.

(i) Price-Time or Pro-Rata Priority

Price-Time Priority: No change.

Pro-Rata Priority: No change.

Additional Priority Overlays Applicable to Price-Time or Pro-Rata Priority Methods

In addition to the base allocation methodologies set forth above, the Exchange may determine to apply, on a class-by-class basis, one or more of the following designated market participant overlay priorities in a sequence determined by the Exchange. The Exchange will issue a Regulatory Circular periodically which will specify which classes of options are subject to these additional priorities as well as any time the Exchange changes these priorities.

(1) No change.

(2) Participation Entitlement: The Exchange may determine to grant Market-Makers participation entitlements pursuant to the provisions of Rules 8.87, 8.13, or 8.15[B]. More than one such participation entitlements may be activated for an option class (including at different priority sequences), however in no case may more than one participation entitlement be applied on the same trade. For example, the Preferred Market-Maker participation entitlement of Rule 8.13 and the DPM participation entitlement of Rule 8.87 may be in effect, along with other priorities that are allowed under this Rule, for an option class at different priority levels (*e.g.* public customer has first priority, Preferred entitlement is second priority, Market Turner is third priority, and DPM entitlement - if the Preferred entitlement was not applied on the trade - has fourth priority). In allocating the participation entitlement, all of the following shall apply:

(A) – (D) No change.

(3) No change.

(ii) Ultimate Matching Algorithm (“UMA”): Under this method, a market participant who enters a quotation and whose quote is represented by the disseminated CBOE best bid or offer (“BBO”) shall be eligible to receive allocations of incoming electronic orders for up to the size of its quote, in accordance with the principles described below. As an initial matter, if the number of contracts represented in the disseminated quote is less than the number of contracts in an incoming electronic order(s), the incoming electronic order(s) shall only be entitled to receive a number of contracts up to the size of the disseminated quote, in accordance with Rule 6.45B(a)(ii)(B). The balance of the electronic order will be eligible to be filled at the refreshed quote either electronically (in accordance with paragraph (a)(ii)(B) below) or manually (in accordance with Rule 6.45B(b)) and, as such, may receive a split price execution.

(A) – (B) No change.

(C) Participation Entitlement: If a Market-Maker is eligible for an allocation pursuant to the operation of the Algorithm described in paragraph (a) of Rule 6.45B and is also eligible for an allocation pursuant to a participation entitlement under Rules 8.13, 8.15[B], or 8.87, the Market-Maker may be entitled to receive an allocation (not to exceed the size of its quote) equal to either:

(1) – (3) No change.

The Exchange shall determine which of the preceding three entitlement formulas will be in effect on a class-by-class basis. All pronouncements regarding the entitlement formula shall be made via Regulatory Circular. The participation entitlement percentage is expressed as a percentage of the remaining quantity after all public customer orders in the electronic book have been executed.

(iii) Additional Priority Overlays Applicable to All Priority Methods

No change.

(b) – (d) No change.

... Interpretations and Policies:

.01 – .05 No change.

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Rule 6.74. Crossing Orders

Generally. No change.

(a) – (c) No change.

(d) Notwithstanding the provisions of paragraphs (a) and (b) of this Rule, when a Floor Broker holds an option order for the eligible order size or greater (“original order”), the Floor Broker is entitled to cross a certain percentage of the order with other orders that he is holding or in the case of a public customer order with a facilitation order of the originating firm (*i.e.*, the firm from which the original customer order originated). The Exchange may determine on a class-by-class basis to include solicited orders within the provisions of paragraph (d) of this Rule. In addition, the Exchange may determine on a class-by-class basis the eligible size for an order that may be transacted pursuant to paragraph (d) of this Rule, however, the eligible order size may not be less than 50 standard option contracts or 500 mini-option contracts. In accordance with his responsibilities for due diligence, a Floor Broker representing an order of the eligible order size or greater that he wishes to cross shall request bids and offers for such option series and make all persons in the trading crowd, including the Order Book Official or the PAR Official, aware of his request.

(i) – (iv) No change.

(v) If a trade pursuant to paragraph (d) of this Rule occurs at the On-Floor DPM’s or On-Floor LMM’s principal bid or offer in its appointed class, then the On-Floor DPM’s guaranteed participation level which is established pursuant to Exchange Rule 8.87 (or Exchange circulars issued pursuant to Exchange Rule 8.87) or On-Floor LMM’s guaranteed participation level which is established pursuant to Exchange Rule 8.15[B] shall apply only to the number of contracts remaining after all those public customer orders which trade ahead of the cross transaction and the number of contracts crossed, each as described in paragraph (d)(ii) of this Rule, have been satisfied. The On-Floor DPM’s or On-Floor LMM’s guaranteed participation will be a percentage that when

combined with the percentage the originating firm crossed, does not exceed 40% of the order. If the trade occurs at a price other than the On-Floor DPM's or On-Floor LMM's principal bid or offer, the On-Floor DPM or On-Floor LMM is entitled to no guaranteed participation.

(vi) – (viii) No change.

(e) No change.

... Interpretations and Policies:

.01 – .10 No change.

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Rule 8.7. Obligations of Market-Makers

(a) – (d) No change.

... Interpretations and Policies:

.01 – .06 No change.

.07 Additional Obligations for Hybrid 3.0 Classes[in Which CBOE Hybrid System is NOT Implemented]:

(a) No change.

(b) For those classes in which a DPM[,]or LMM[, or SMM] has been appointed, the responsibility to determine a formula for generating automatically updated market quotations is done by either the DPM pursuant to Rule 8.85(a)(x) or the LMM[or SMM] pursuant to Rule 8.15(c). The DPM[,]or LMM[or SMM] may choose to use either the Exchange's AutoQuote system or a proprietary automated quotation updating systems to monitor and update market quotations. For those options classes in which a DPM[,]or LMM[, or SMM] has not been appointed, the Exchange may appoint one or more [m]Market-[m]Makers in good standing with an appointment in the particular option class to determine a formula for generating automatically updated market quotations for a particular period of time using the Exchange's AutoQuote system or a proprietary automated quotation updating system.

(c) For those option classes in which a DPM, LMM, [SMM,]or appointed [m]Market-[m]Maker does not have the responsibility set forth in paragraph (b) above, the components in the formula used in each trading crowd to generate automatically updated market quotations shall be as agreed upon by the respective trading crowds. For those classes in which a DPM, LMM, [or SMM,]or [a m]Market-[m]Maker in good standing has been appointed the responsibility to determine a formula for generating automatically updated market quotations, the DPM, LMM, [SMM]or appointed [m]Market-[m]Maker may, but is not required to, consult with and/or agree with members of the trading crowd in setting the components of the formula, but the members of the trading crowd are not required to

provide input in these decisions, and in all instances, the DPM, LMM, [SMM,]or appointed [m]Market-[m]Maker has the responsibility to make the final determination as to the components. The provisions of this Interpretation and Policy .07 shall also apply to the use of automated quotation updating systems to generate indicative prices that are indications of interest and not firm quotes.

.08 – .13 No change.

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Rule 8.13. Preferred Market-Maker Program

(a) – (b) No change.

(c) *Entitlement Rate*. Provided the provisions of subparagraph (b) above have been met, the Preferred Market-Maker participation entitlement shall be 40% when there are two or more Market-Makers also quoting at the best bid/offer on the Exchange, and 50% when there is only one other Market-Maker quoting at the best bid/offer on the Exchange. In addition, the following shall apply:

(i) – (ii) No change.

(iii) If a Preferred Market-Maker receives a participation entitlement under this Rule, then no other participation entitlements set forth in Exchange Rules (*e.g.* Rules 8.87 [Participation Entitlement of DPMs]and [Rule]8.15[B Participation Entitlement of LMMs]) shall apply to such order.

(d) No change.

... Interpretations and Policies:

.01 – .03 No change.

Rule 8.14. [Index]Hybrid Trading System[Classes:] Platforms & Market-Maker Participants

(a) Generally: The Exchange (i) may authorize for trading on the [CBOE]Hybrid Trading System or the Hybrid 3.0 Platform [index]options[and options on ETFs] trading on the Exchange and (ii) if that authorization is granted, shall determine the eligible categories of Market-Maker participants for those options. The Exchange shall also have the authority to determine whether to change the trading platform on which those options trade and to change the eligible categories of Market-Maker participants for those options. The eligible categories of Market-Maker participants may include:

Designated Primary Market-Makers (“DPMs”): Market-Makers as defined in Rule 8.80 whose activities are governed by, among other rules, [CBOE]Rules 8.80 – 8.91.

Lead Market-Makers (“LMMs”): Market-Makers as defined in Rule[s] 8.15 [and 8.15A]whose activities are governed by, among other rules, [CBOE]Rule[s] 8.15[and 8.15A].

Market-Makers (“MMs”): Market-Makers as defined in Rule 8.1 whose activities are governed by, among other rules, [CBOE]Rules 8.1– 8.11.

(b) Each class designated for trading on the Hybrid Trading System or the Hybrid 3.0 Platform shall have a[n assigned] DPM or LMM. The Exchange may determine to designate classes for trading on Hybrid without a DPM or LMM provided the following conditions are satisfied:

1. No change.
2. Each Market-Maker with an appointment in the class is subject to the continuous quoting obligations imposed by [CBOE]Rule 8.7(d);
3. No change.

... Interpretations and Policies:

.01 No change.

[Rule 8.15. Lead Market-Makers and Supplemental Market-Makers in Hybrid 3.0 Classes

The Exchange may appoint, in an option class for which a DPM has not been appointed, one or more Market-Makers in good standing as Lead Market-Makers (“LMMs”) and Supplemental Market-Makers (“SMMs”) to participate in the modified opening rotation described in Interpretation .01 to Rule 6.2B, to participate in other opening rotations using the Exchange’s Hybrid Opening System described in Rule 6.2B, and/or to determine a formula for generating automatically updated market quotations during the trading day as described in paragraph (d) below.

(a) LMMs and SMMs shall be appointed on the first day following an expiration for a period of one month (“expiration month”) and shall be assigned to a zone with one or more LMMs or SMMs. The Exchange shall select the series to be included in a zone.

1. Factors to be considered by the Exchange in selecting LMMs and SMMs include: adequacy of capital, experience in trading index options or options on ETFs, presence in the trading crowd, adherence to Exchange rules and ability to meet the obligations specified below. An individual may be appointed as an LMM in only one zone for an expiration month but may also be appointed as an SMM in other zones. An individual may be appointed to be an SMM in more than one zone. When individual Trading Permit Holders are associated with one or more other Trading Permit Holders, only one Trading Permit Holder may receive an LMM appointment.
2. Removal of one or all LMMs and SMMs in a zone may be effected by the Exchange on the basis of the failure of one or more LMMs or SMMs assigned to the zone to meet the obligations set forth in paragraphs b and c below, or any other applicable Exchange rule. An LMM or SMM removed under this rule may seek review of that decision under Chapter XIX of the Rules.

3. If one or more LMMs are removed or if for any reason an LMM shall no longer be eligible for or shall resign his appointment or shall fail to perform his duties, the Exchange may appoint an interim LMM to complete the monthly obligations of the former LMM.

4. The Exchange shall review and evaluate the conduct of LMMs and SMMs, including but not limited to compliance with Rules 8.1, 8.2, 8.3, and 8.7 and may hold all LMMs and SMMs in a zone responsible for the performance of each LMM and SMM in the zone.

(b) The obligations of an LMM are as follows:

1. to quote a firm two-sided market of sufficient size to accommodate a relatively active opening within the bid/ask differential requirements determined by the Exchange on a class by class basis in all option series assigned to the zone;

2. to facilitate any imbalances of customer orders in all series assigned to the zone;

3. to assist LMMs in other zones to facilitate excessive imbalances;

4. to perform the above obligations for a period of one expiration month commencing on the first day following an expiration. Failure to perform such obligations for such time may result in suspension of up to three months from trading in all series of the option class; and

(c) The obligations of an SMM are as follows:

1. to accept the previously agreed to portion of opening order imbalances; and

2. to participate with the LMM in the modified trading rotation for a period of one calendar week. Failure to perform such obligations for such time may result in suspension of up to three months from participation as an LMM or SMM.

(d) Each LMM or SMM appointed in accordance with this Rule to determine a formula for generating automatically updated market quotations shall for the period in which it acts as LMM or SMM use the Exchange's AutoQuote system or a proprietary automated quotation updating system to update market quotations during the trading day. In addition, the LMM or SMM shall disclose the following components of the formula to the other Trading Permit Holders trading at the trading station at which the formula is used: option pricing calculation model, volatility, interest rate, dividend, and what is used to represent the price of the underlying. Notwithstanding the foregoing, the Exchange shall have the discretion to exempt LMMs and SMMs using proprietary automated quotation updating systems from having to disclose proprietary information concerning the formulas used by those systems.

... Interpretations and Policies:

.01 The requirements of Interpretation and Policy .07 to Rule 8.7 as they relate to LMMs and SMMs apply to paragraph (d) of this Rule 8.15.

.02 An LMM generally will operate on CBOE's trading floor ("On-Floor LMM"). However, as provided below, an LMM can request that the Exchange authorize the LMM to function remotely away from CBOE's trading floor ("Off-Floor LMM") on a class-by-class basis.

(a) An LMM can request that the Exchange authorize it to operate as an Off-Floor LMM in one or more Hybrid 3.0 classes. The Exchange will consider the factors specified in paragraph (a)(1) above, as well as the factors applicable to Off-Floor DPMs specified in Rule 8.83(g), in determining whether to permit an LMM to operate as an Off-Floor LMM. If an LMM is approved to operate as an Off-Floor LMM in one or more Hybrid 3.0 classes, the Off-Floor LMM can have an LMM designee trade in open outcry in the option classes allocated to the Off-Floor LMM, but the Off-Floor LMM shall not receive a participation entitlement under Rule 8.15B with respect to orders represented in open outcry.

(b) An LMM that is approved to operate as an Off-Floor LMM in one or more Hybrid 3.0 classes can request that the Exchange authorize it to operate as an On-Floor LMM in those option classes. In making a determination pursuant to this paragraph, the Exchange should evaluate whether the change is in the best interests of the Exchange, and may consider any information that it believes will be of assistance to it. Factors to be considered may include, but are not limited to, performance, operational capacity of the Exchange or LMM, efficiency, number and experience of personnel of the LMM who will be performing functions related to the trading of the applicable securities, number of securities involved, number of Market-Makers affected, and trading volume of the securities.

(c) Each Off-Floor LMM shall, as part of a pilot program until March 14, 2009, not allow more than one Market-Maker affiliated with the Off-Floor LMM to trade on CBOE's trading floor in any specific option class allocated to the Off-Floor LMM and provided such Market-Maker is trading on a separate Trading Permit (absent the pilot program, an Off-Floor LMM may not allow any Market-Makers affiliated with the Off-Floor LMM to trade on CBOE's trading floor in any class allocated to the Off-Floor LMM) and provided the Off-Floor LMM does not have an LMM designee trading in open outcry in the option classes allocated to the Off-Floor LMM.]

Rule 8.15[A]. Lead Market-Makers[in Hybrid Classes]¹

(a) **Assignment, Removal, and Evaluation of LMMs:** The Exchange may appoint one or more Market-Makers in good standing with an appointment in a [Hybrid Trading System ("Hybrid") option] class for which a DPM has not been appointed as Lead Market-Makers ("LMMs"). [Additionally, in an option class in which an Off-Floor DPM has been appointed in accordance with Rule 8.83, the Exchange in its discretion may also appoint an On-Floor LMM, which shall be eligible to receive a participation entitlement under Rule 8.15B with respect to orders represented in open outcry. (i)]The Exchange will appoint an LMM[s shall be appointed on the first day following an] for a term of no less than the time until the end of the then-current expiration cycle ("term")[for a period of no less than one month

¹ The Exchange notes it recently amended Rules 8.15 and 8.15A, which changes became effective on filing. See SR-CBOE-2016-007. The rule text above reflects those changes.

(“expiration month”)], which appointment [and]may be [assigned]to a class with one or more LMMs[, or a class in which an Off-Floor DPM has been appointed]. The Exchange may arrange the series of a class into groups and may appoint LMMs to those groups rather than to an individual option class.

[A.](i) Factors to be considered by the Exchange in selecting LMMs include: adequacy of capital, experience in trading [index]options[or options on ETFs], presence in the trading crowd, adherence to Exchange rules and ability to meet the obligations specified below. [An individual may be appointed as an LMM for one expiration month at a time. When individual Trading Permit Holders are associated with one or more other Trading Permit Holders, only one Trading Permit Holder may receive an LMM appointment.]

[B.](ii) Removal of an LMM[s] may be effected by the Exchange on the basis of the failure of [one or more]the LMM[s assigned to the class] to meet the obligations set forth below, or any other applicable Exchange rule. An LMM removed under this rule may seek review of that decision under Chapter XIX of the Rules.

[C.](iii) If [one or more]an LMM[s are] is removed or if for any reason an LMM [shall]is no longer [be]eligible for or [shall]resigns [his]its appointment or [shall]fails to perform [his]its duties, the Exchange may appoint [an]one or more interim LMMs for the remainder of the term or shorter time period designated by the Exchange[to complete the monthly obligations of the former LMM].

[D.](iv) The Exchange [shall]will review and evaluate the conduct of LMMs, including but not limited to compliance with Rules 8.1, 8.2, 8.3, and 8.7[and may hold all LMMs responsible for the performance of each LMM in the class].

(b) LMM Obligations[.]: Each LMM must fulfill all the obligations of a Market-Maker under the Rules and satisfy each of the following requirements[LMMs are required to]:

(i) provide continuous electronic quotes (as defined in Rule 1.1 (ccc)) [that comply with the bid/ask differential requirements determined by the Exchange on a class by class basis]in at least the lesser of 99% of the non-adjusted option series or 100% of the non-adjusted option series minus one call-put pair, with the term “call-put pair” referring to one call and one put that cover the same underlying instrument and have the same expiration date and exercise price. This obligation does not apply to intra-day add-on series on the day during which such series are added for trading. Compliance with this quoting obligation applies to all of an LMM’s appointed classes on each platform collectively. The Exchange will determine compliance by an LMM with this quoting obligation on a monthly basis. However, determining compliance with this obligation on a monthly basis does not relieve an LMM from meeting this obligation on a daily basis, nor does it prohibit the Exchange from taking disciplinary action against an LMM for failing to meet this obligation each trading day. In option classes in which both an On-Floor LMM and an Off-Floor DPM or Off-Floor LMM have been appointed, the On-Floor LMM [shall]will not be obligated to comply with this paragraph (b)(i) and instead [shall]will be obligated to comply with the obligations of Market-Makers [in Hybrid classes]in Rule 8.7(d);

(ii) assure that its market quotations are accurate[each of its displayed market quotations is honored for at least the number of contracts prescribed pursuant to Rule 8.51];

(iii) comply with the bid/ask differential requirements determined by the Exchange on a class-by-class basis[perform the above obligations for a period of one expiration month commencing on the first day following an expiration. Failure to perform such obligations for such time may result in suspension of up to three months from trading in all series of the option class];

(iv) assure that its market quotations comply with the minimum size requirements prescribed by the Exchange, which minimum must be at least one contract;

(v) enter opening quotes within one minute of the initiation of an opening rotation in any series that is not open due to the lack of a quote (see Rule 6.2B(e)(i) or Interpretation and Policy .03(a)(i)) [ensure that a trading rotation is initiated promptly following the opening of the underlying security (or promptly after 8:30 a.m. (CT) in an index class) in accordance with Rule 6.2B in 100% of the series of each allocated class by entering opening quotes as necessary] and participate in other rotations described in Rule 6.2B (including the modified opening rotations set forth in Interpretations and Policies .01 and .08) or 24.13, as applicable. In option classes in which both an On-Floor LMM and an Off-Floor DPM or Off-Floor LMM have been appointed, the obligation set forth in this paragraph (b)(i)v [shall]will be that of the Off-Floor DPM or Off-Floor LMM and not the On-Floor LMM[.];

[(v) respond to any open outcry request for quote by a floor broker with a two-sided quote complying with the bid-ask differential requirements determined by the Exchange on a class by class basis, for the minimum number of contracts determined by the Exchange on a class by class basis, which minimum shall be at least one contract and which minimum can vary for non-broker-dealer orders and for broker-dealer orders;]

(vi) [act as agent for orders routed to other exchanges that are participants in the Intermarket Options Linkage Plan. The LMM's account shall be used for P/A and Satisfaction orders routed by the Order Book Official for the benefit of an underlying order, and the LMM shall be responsible for any charges incurred from the execution of such orders. LMMs shall also provide written instructions to Order Book Officials regarding the routing of P/A and Satisfaction orders. In option classes in which both an On-Floor LMM and an Off-Floor DPM have been appointed, the obligations in this paragraph (b)(vi) shall be that of the Off-Floor DPM; and]make competitive markets on the Exchange and otherwise promote the Exchange in a manner that is likely to enhance the ability of the Exchange to compete successfully for order flow in the classes it trades;

(vii) continue to act as an LMM and fulfill the obligations of an LMM until the end of its term or until the Exchange relieves the LMM of its approval to act as an LMM or of its appointment and obligations to act as an LMM in a particular class; and

(viii) immediately notify the Exchange of any material operational or financial changes to the LMM organization as well as obtain the Exchange's approval prior to effecting changes to the ownership, capital structure, voting authority, distribution of profits/losses, or control of the LMM organization.

(c) Additional LMM Obligations in Hybrid 3.0 Classes: In addition to satisfying the obligations set forth in paragraph (b) above, each LMM in Hybrid 3.0 classes must satisfy the following requirements:

(i) determine a formula for generating automatically updated market quotations during the trading day for the period in which it acts as LMM using the Exchange's AutoQuote system or a proprietary automated quotation updating system. In addition, the LMM must disclose the following components of the formula to the other Trading Permit Holders trading at the trading station at which the formula is used: option pricing calculation model, volatility, interest rate, dividend, and what is used to represent the price of the underlying. Notwithstanding the foregoing, the Exchange may in its discretion exempt LMMs using proprietary automated quotation updating systems from having to disclose proprietary information concerning the formulas used by those systems;

(ii) serve during such times as may be requested by the Exchange as a backup LMM, which must assume autoquoting responsibilities in the event the Exchange determined that the LMM originally appointed to run the autoquote is unable to do so; and

(iii) facilitate any imbalances of customer orders in all series in its appointed classes.

(d) Participation Entitlement: The Exchange may establish, on a class-by-class basis, a participation entitlement formula that is applicable to LMMs for purposes of electronic and/or open outcry trading.

(i) To be entitled to a participation entitlement, the LMM must be quoting at the best bid/offer on the Exchange and the LMM may not be allocated a total quantity greater than the quantity for which the LMM is quoting at the best bid/offer on the Exchange. The participation entitlement is based on the number of contracts remaining after all public customer orders in the book at the best bid/offer on the Exchange have been satisfied. In option classes in which both an On-Floor LMM and an Off-Floor DPM have been appointed, the On-Floor LMM may receive a participation entitlement with respect to orders represented in open outcry, but will not be eligible to receive a participation entitlement for trades executed electronically. The participation entitlement set forth in this Rule will not apply in instances where a Preferred Market-Maker receives a participation entitlement pursuant to Rule 8.13 and is subject to the limitations for Off-Floor LMMs set forth in Rule 8.15, Interpretation and Policy .01 (a).

(ii) The LMM participation entitlement will be: 50% when there is one Market-Maker also quoting at the best bid/offer on the Exchange; 40% when there are two Market-Makers also quoting at the best bid/offer on the Exchange; and, 30% when there are three or more Market-Makers also quoting at the best bid/offer on the Exchange. If more

than one LMM is entitled to a participation entitlement, such entitlement will be distributed equally among all eligible LMMs provided, however, that an LMM may not be allocated a total quantity greater than the quantity for which the LMM is quoting at the best bid/offer on the Exchange.

The Exchange may determine, on a class-by-class basis, to decrease the LMM participation entitlement percentages from the percentages specified in paragraph (d)(ii) above. Such changes will be announced to the Trading Permit Holders in advance of implementation via Regulatory Circular.

... Interpretations and Policies:

.01 An LMM generally will operate on CBOE's trading floor ("On-Floor LMM"). However, as provided below, an LMM can request that the Exchange authorize the LMM to function remotely away from CBOE's trading floor ("Off-Floor LMM") on a class-by-class basis.

(a) An LMM can request that the Exchange authorize it to operate as an Off-Floor LMM in one or more [Hybrid]classes. The Exchange will consider the factors specified in paragraph (a)(i)[(A)] above, as well as the factors applicable to Off-Floor DPMs specified in Rule 8.83(g), in determining whether to permit an LMM to operate as an Off-Floor LMM. If an LMM is approved to operate as an Off-Floor LMM in one or more [Hybrid]classes, the Off-Floor LMM can have an LMM designee trade in open outcry in the [option]classes [allocated]to which the Off-Floor LMM is appointed, but the Off-Floor LMM [shall]will not receive a participation entitlement under Rule 8.15[B] with respect to orders represented in open outcry.

(b) No change.

(c) Notwithstanding Rule 8.15(a), in an option class in which an Off-Floor LMM or Off-Floor DPM has been appointed in accordance with this Rule 8.15 or Rule 8.83, as applicable, the Exchange in its discretion may also appoint an On-Floor LMM, which will be eligible to receive a participation entitlement under this Rule 8.15 with respect to orders represented in open outcry. If the Exchange in its discretion determines to reallocate a class in which an Off-Floor LMM or Off-Floor DPM has been appointed, the On-Floor LMM appointment will automatically terminate.

.02 When the underlying security for a class is in a limit up-limit down state, as defined in Rule 6.3A, LMMs [shall]will have no quoting obligations in the class. However, an LMM may still receive a participation entitlement in series of such a class when the underlying security is in a limit up-limit down state if it elects to quote in such series and otherwise satisfies the requirements set forth in Rule 8.15(d).

.03 With respect to Hybrid 3.0 classes, the requirements of Interpretation and Policy .07 to Rule 8.7 as they relate to LMMs apply to paragraph (c)(ii) of this Rule 8.15.

.04 An LMM may receive a participation entitlement in intra-day add-on series on the day during which such series are added for trading if it elects to quote in such series and otherwise satisfies the requirements set forth in Rule 8.15(d).

[Rule 8.15B. Participation Entitlement of LMMs

(a) The Exchange may establish, on a class-by-class basis, a participation entitlement formula that is applicable to LMMs for purposes of electronic and/or open outcry trading.

(b) To be entitled to a participation entitlement, the LMM must be quoting at the best bid/offer on the Exchange and the LMM may not be allocated a total quantity greater than the quantity for which the LMM is quoting at the best bid/offer on the Exchange. The participation entitlement is based on the number of contracts remaining after all public customer orders in the book at the best bid/offer on the Exchange have been satisfied. In option classes in which both an On-Floor LMM and an Off-Floor DPM have been appointed, the On-Floor LMM may receive a participation entitlement with respect to orders represented in open outcry, but shall not be eligible to receive a participation entitlement for trades executed electronically. The participation entitlement set forth in this Rule shall not apply in instances where a Preferred Market-Maker receives a participation entitlement pursuant to Rule 8.13 and is subject to the limitations for Off-Floor LMMs set forth in Rule 8.15A.01(a).

(c) The LMM participation entitlement shall be: 50% when there is one Market-Maker also quoting at the best bid/offer on the Exchange; 40% when there are two Market-Makers also quoting at the best bid/offer on the Exchange; and, 30% when there are three or more Market-Makers also quoting at the best bid/offer on the Exchange. If more than one LMM is entitled to a participation entitlement, such entitlement shall be distributed equally among all eligible LMMs provided, however, that an LMM may not be allocated a total quantity greater than the quantity for which the LMM is quoting at the best bid/offer on the Exchange.

The Exchange may determine, on a class-by-class basis, to decrease the LMM participation entitlement percentages from the percentages specified in paragraph (c). Such changes will be announced to the Trading Permit Holders in advance of implementation via Regulatory Circular.

... Interpretations and Policies:

.01 Rule 8.15A(b)(i) does not require a LMM to provide continuous electronic quotes in intra-day add-on series on the day during which such series are added for trading. However, a LMM may still receive a participation entitlement in such series if it elects to quote in such series and otherwise satisfies the requirements set forth in Rule 8.15B(b).

.02 When the underlying security for a class is in a limit up-limit down state, as defined in Rule 6.3A, LMMs shall have no quoting obligations in the class. However, an LMM may still receive a participation entitlement in series of such a class when the underlying security is in a limit up-limit down state if it elects to quote in such series and otherwise satisfies the requirements set forth in Rule 8.15B(b).]

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Rule 8.83. Approval to Act as a DPM

(a) – (f) No change.

(g) An On-Floor DPM can request that the Exchange authorize it to operate as an Off-Floor DPM in one or more option classes traded on the Hybrid Trading System (including in Hybrid 3.0 classes). The Exchange will consider the factors specified in paragraph (b) above in determining whether to permit an On-Floor DPM to operate as an Off-Floor DPM. If an On-Floor DPM is approved to operate as an Off-Floor DPM in one or more option classes, the Off-Floor DPM can have a DPM Designee trade in open outcry in the option classes allocated to the Off-Floor DPM, but the Off-Floor DPM [shall]will not receive a participation entitlement under Rule 8.87 with respect to orders represented in open outcry. Additionally, in an option class in which an Off-Floor DPM has been appointed, the Exchange in its discretion may also appoint an On-Floor LMM in accordance with Rule 8.15[A], which [shall]will be eligible to receive a participation entitlement under Rule 8.15[B] with respect to orders represented in open outcry. If the Exchange in its discretion determines to reallocate a class in which an Off-Floor DPM has been appointed, the On-Floor LMM appointment will automatically terminate.

... Interpretations and Policies:

.01 No change.

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Rule 8.85. DPM Obligations

(a) *Dealer Transactions*. Each DPM [shall]must fulfill all of the obligations of a Market-Maker under the Rules, and [shall]must satisfy each of the following requirements in respect of each of the securities allocated to the DPM. To the extent that there is any inconsistency between the specific obligations of a DPM set forth in subparagraphs (a)(i) through (a)(xi[i]) of this Rule and the general obligations of a Market-Maker under the Rules, subparagraphs (a)(i) through (a)(xi[i]) of this Rule [shall]will govern. Each DPM [shall]must:

(i) No change.

(ii) assure that [each of]its [displayed]market quotations are accurate[is honored for at least the number of contracts prescribed pursuant to Rule 8.51];

(iii) [in the case of option contracts,]comply with the bid/ask differential requirements determined by the Exchange on a class[]-by[]-class basis;

(iv) – (vi) No change.

(vii) [Reserved.]assure that its market quotations comply with the minimum size requirements prescribed by the Exchange, which minimum must be at least one contract;

(viii) – (ix) No change.

(x) for classes in which the CBOE Hybrid System is not operational, determine a formula for generating automatically updated market quotations and disclose the following components of the formula to the other Trading Permit Holders trading at the trading station at which the formula is used: option pricing calculation model, volatility, interest rate, dividend, and what is used to represent the price of the underlying. Notwithstanding the provisions of subparagraph (a)(x) of this Rule, the Exchange shall have the discretion to exempt DPMs using proprietary automated quotation updating systems from having to disclose proprietary information concerning the formulas used by those systems[.]; and

(xi) enter opening quotes within one minute of the initiation of an opening rotation in any series that is not open due to the lack of a quote (see Rule 6.2B(e)(i) or Interpretation and Policy .03(a)(i)) [ensure that a trading rotation is initiated promptly following the opening of the underlying security (or promptly after 8:30 a.m. (CT) in an index class) in accordance with Rule 6.2B in 100% of the series of each allocated class by entering opening quotes as necessary]and participate in other rotations described in Rule 6.2B (including the modified opening rotations set forth in Interpretations and Policies .01 and .08) or 24.13, as applicable. In option classes in which both an On-Floor LMM and an Off-Floor DPM or Off-Floor LMM have been appointed, the obligation set forth in this paragraph (a)(xi) will be that of the Off-Floor DPM or Off-Floor LMM and not on the On-Floor LMM.

[(xii) The DPM's account shall be used for P/A Orders and Satisfaction Orders routed by the Exchange for the benefit of an underlying customer order, and shall be used for P Orders routed by the Exchange for the benefit of an underlying broker-dealer order and to fill incoming Satisfaction Orders that result from a Trade Through that the Exchange effects. Further, the DPM shall be responsible for any charges incurred in the execution of such linkage orders.

A DPM must provide to the Exchange written instructions for routing P/A Orders, P Orders on behalf of orders in the custody of the Exchange that are for the account of a broker-dealer, and Satisfaction Orders to other markets.]

(b) – (e) No change.

... Interpretations and Policies

.01 – .02 No change.

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Rule 17.50. Imposition of Fines for Minor Rule Violations

(a) – (f) No change.

(g) The following is a list of the rule violations subject to, and the applicable fines that may be imposed by the Exchange pursuant to, this Rule:

(1) – (13) No change.

(14) Failure to Meet Exchange Quoting Obligations

A fine shall be imposed upon a Market-Maker, Designated Primary Market-Maker or Lead Market Maker (as applicable) in accordance with the fine schedule set forth below for the following conduct:

- Failure to meet the continuous quoting obligation (Rules 8.7, 8.15[A], and [Rule]8.85);
- Failure to meet the applicable quote width requirements (Rule 8.7);
- Failure to meet the initial quote volume requirements (Rule 8.7); and
- Failure of a Lead Market[]-Maker or Designated Primary Market-Maker to enter opening quotes within one minute following the initiation of an opening rotation (e.g. 8:31 a.m. (CT)) in a series in its appointed or allocated class, respectively, that is not open due to the lack of a quote (see Rule 6.2B(e)(i) or Interpretation and Policy .03(a)(i), as applicable)[ensure that a trading rotation is initiated promptly following the opening of the underlying security (or promptly after 8:30 a.m. (CT) in an index class) in accordance with Rule 6.2B in 100% of the series of each allocated class by entering opening quotes as necessary] (Rules 8.15[A] and [Rule]8.85, respectively)[; and].

<i>Number of Offenses in any Rolling Twenty-Four Month Period</i>	<i>Fine Amount</i>
1st Offense	\$2,000 to \$4,000
2nd Offense	\$4,000 to \$5,000
Subsequent Offenses	Referral to Business Conduct Committee

(15) – (19) No change.

... Interpretations and Policies:

.01 – .03 No change.

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Rule 22.14. Maximum Bid-Ask Differentials; Market-Maker Appointments & Obligations

(a) No change.

(b) Rules 8.3, 8.4, 8.14, 8.15, [8.15A]and 8.95 and the Interpretations and Policies thereunder shall apply to binary options.

... Interpretations and Policies:

.01 No change.

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Rule 24.9. Terms of Index Option Contracts

(a) No change.

(b) *Long-Term Index Option Series* (“LEAPS”).

(1) Notwithstanding the provisions of Paragraph (a)(2)[,] above, the Exchange may list long-term index option series that expire from 12 to 180 months from the date of issuance.

(A) Index LEAPS may be based on either the full or reduced value of the underlying index. There may be up to 10 expiration months, none further out than one-hundred eighty (180) months. [Strike price interval, bid/ask differential and continuity rules shall not apply to such option series until the time to expiration is less than twelve (12) months.]

(B) No change.

(2) *Reduced-Value LEAPS*. No change.

(c) – (e) No change.

... Interpretations and Policies:

.01 – .14 No change.

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Rule 24.13. Trading Rotations

No change.

... Interpretations and Policies:

.01 No change.

.02 Modified Opening Rotation—In conducting the opening rotation in S&P 100 options, certain option series having the nearest expiration may be opened as described in Interpretation .01 to Rule 6.2 (“main rotation”). The remaining series having the nearest expiration and other series having more distant expirations may be divided into one or more zones and be opened simultaneously with the main rotation by an OBO in the following manner. One or more LMMs in each zone shall be responsible for quoting a two-sided market in each of the series assigned to the zone. The markets will generally be set without prior indication of the imbalances to be facilitated. Only in the case of extreme market conditions or an extremely large imbalance of opening orders may the OBO indicate the

direction or size of the order imbalance. Upon receiving the LMM market, the OBO will state the net imbalance in each series to the LMM who shall buy or sell it.

Instead of the procedure described in the paragraph above, the opening rotation in S&P 100 options may be conducted using the Exchange's Rapid Opening System. Index options that trade on the Hybrid System must utilize the Hybrid Opening System, as described in CBOE Rule 6.2B.

Upon conclusion of the main rotation, the OBO conducting the main rotation will declare open trading in all series. Such declaration shall apply to the main rotation and to all zones which have completed opening rotation. Open trading in the series assigned to the zones shall not commence before the OBO conducting the main rotation has made such declaration.

Market-Makers who wish to participate in the opening of series in which they do not hold LMM [or Supplemental Market-Maker ("SMM")] appointments may transmit written non-cancellable proprietary and Market-Maker orders to the LMM in that zone ten minutes prior to the opening of trading. [The participation on the opening imbalance will not exceed the participation of a SMM in that zone.]

.03 No change.

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Rule 29.17. Market-Maker Appointments & Obligations

(a) Market-Makers shall be appointed to Credit Option classes in accordance with the requirements of Rules 8.3, 8.4, 8.15[A] and 8.95, as applicable.

(b) – (c) No change.

... Interpretations and Policies:

.01 No change.

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Chicago Board Options Exchange, Incorporated Fees Schedule

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Footnotes (Continued):	
Footnote Number	Description
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38	For SPX and VIX, if an LMM (1) provides continuous electronic quotes in at least the lesser of 99% of the non-adjusted series or 100% of the non-adjusted series minus one call-put pair in an ETH allocated class (excluding intra-day add-on series on the day during which such series are added for trading) during ETH in a given month and (2) enters opening quotes within five minutes of the initiation of

	<p><u>an opening rotation in any series that is no open due to the lack of a quote, provided that the LMM will not be required to enter opening quotes in more than</u> [ensures an opening of]the same percentage of series <u>set forth in clause (1)</u> [by 2:05 a.m.]for at least 90% of the trading days during ETH in a given month, the LMM will receive a rebate for that month and will receive a pro-rata share of a compensation pool equal to \$25,000 times the number of LMMs in that class. For example, if three LMMs are appointed in SPX, a compensation pool will be established each month totaling \$75,000. If each LMM meets the heightened continuous quoting standard in SPX during a month, each will receive \$25,000. If two LMM's meet the heightened continuous quoting standard in SPX during a month, those two LMM's would each receive \$37,500 and the third LMM would receive nothing. If only one LMM meets the heightened continuous quoting standard in SPX during a month, that LMM would receive \$75,000 and the other two would receive nothing.</p>
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